



THE CHICKEN OR EGG DILEMMA

This week: Retail Cities delivered a presentation on winning retailers in Europe to a broad audience in Belgrade. The presentation was focused on Retail Cities' "The Chicken or Egg dilemma in retail". How can we apply lessons learned from the dilemma in 2026 in our end-of-year planning?

Observing 30 years of winning retail tells me that it is often the egg, rather than the chicken, that defines retail winners. Most people believe that changes in consumer habits guide good decision-making in retail. That's the chicken.

But what if a retailer introduces an innovation that makes consumers willingly change their habits? That's the egg.

There are lots of **egg samples** of this phenomenon. Let's start with the classic Black Friday doorbuster. Rather than having consumers sleep in the day after Thanksgiving, retailers in America said, "Get up before sunrise and grab one of our doorbusters to put under your Christmas tree!"

Since then, Black Friday retailers have toned down the level of discomfort. Even still, you might find some Black Friday promotions that require shoppers to go through some form of discomfort to snag the deal that's being advertised.

Another egg is the classic German hard discount till design where there's no space to bag your purchases. Instead, the checkout process pushes you to move your purchases aside quickly to make way for the consumer behind you.

Despite being squeezed by the retailer, you return because you know that the retailer is also squeezing suppliers to lower prices for your financial benefit.

One more egg before we go. IKEA takes consumers through a labyrinth, with a constant wave of shoppers putting pressure on you to move forward, meaning you need to make decisions more quickly than you would like, especially since grandma and the kids are complaining that it's time for lunch.

IKEA might not sell eggs, but IKEA will sell you every method for cooking eggs in the style of your choice. IKEA might be the biggest egg of them all.

So how can FMCG leaders use the chicken versus egg thinking in their 2026 end-of-year planning?

We at Retail Cities suggest you make a list of the top 10 customers (retailers) you expect to drive volume in 2027. Then look at two things. One: What is the egg they are serving to your consumers? Two: What ingredients do they expect you—as the butter in the pan or the cheese in the omelette—to bring to the kitchen? Think about product quality, pack sizes, price points, A+ content and supply chain requirements so that consumers get the dish they are expecting at mealtime.

Wishing you success using Retail Cities' "Chicken or Egg" in your end-of-year planning.

About European Retail This Week

European Retail This Week shares research that I, Ray Gaul, participate in or lead. The stories are shaped by real conversations with Europe's commercial leaders and the questions they are asking.

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